



DEBRA K. DAVENPORT, CPA  
AUDITOR GENERAL

**STATE OF ARIZONA**  
**OFFICE OF THE**  
**AUDITOR GENERAL**

WILLIAM THOMSON  
DEPUTY AUDITOR GENERAL

September 21, 2004

Governing Board  
Phoenix Elementary School District No. 1  
1817 North 7th Street  
Phoenix, AZ 85006-2133

Members of the Board:

In our January 14, 2004, compliance review report we notified you that the District had not complied with the *Uniform System of Financial Records* (USFR) for the year ended June 30, 2002. The District was given 90 days to implement the recommendations in our report.

We have since reviewed the District's audit reports and USFR Compliance Questionnaire for the year ended June 30, 2003, and also performed an on-site review of selected policies, procedures, and documents to determine whether the District was in substantial compliance with the USFR as of the date of our on-site review. Based on our reviews, the District has complied with the USFR.

However, we must emphasize that a number of deficiencies still exist. We have communicated specific details for these deficiencies to management for corrections. Although the deficiencies we noted do not cause substantial noncompliance, the District must take corrective action to continue to satisfactorily comply with the USFR.

If you have questions concerning this matter, please call Magdalene Haggerty, Accounting Services Director, or Gregg Rickert, Accounting Services Manager, at (602) 553-0333.

Sincerely,

Debra K. Davenport  
Auditor General

DKD/MH/gr

cc: Dr. Rene X. Diaz, Superintendent  
Mr. John Jones, Director of Budget and Finance  
Phoenix Elementary School District No. 1  
The Honorable Sandra E. Dowling, Maricopa County School Superintendent  
Ms. Vicki G. Salazar, Associate Superintendent of Financial Services  
Arizona Department of Education